Hauck Explains 'Loan' By Viereck to Finance Two Publications

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Government Witness Received $1,200 for Printing First Books

Sigfrid H. Hauch, key Government witness in the trial of George Sylvester Viereck, told today how, as president of Flanders Hall Publishing House, he received a "loan" of $1,200 from the defendant for publication of the first two of a long series of pamphlets and books.

The money—in cash—was submitted along with the manuscripts of publications titled "Lord Lothian Against Lord Lothian" and "It Happened Again," the witness asserted in District Court, where Viereck is on trial charged with violating the Foreign Agents Registration Act.

"Whenever we needed more money we wrote Mr. Viereck, and he usually sent it within a couple of days," the 28-year-old former head of the firm declared in answer to a question by Prosecutor George A. McNulty.

First Paid in Cash.

The Government contends that Viereck used Flanders Hall, prior to United States entrance into the war, to disseminate anti-British and pro-Nazi propaganda.

Mr. Hauck said that at first Viereck made all transactions with Flanders Hall in cash, but that later, at the insistance of Mr. Hauck's attorney, funds were transferred by check. The prosecution plans to introduce evidence showing Viereck poured a total of $22,500 into the obscure New Jersey publishing house before it folded up late in 1941.

The witness then identified two more publications titled "Democracy on the Nile," and "Inhumanity Unlimited," which, he said, were next published by Flanders Hall from manuscripts submitted by Viereck.

Manuscripts Examined.

Trial yesterday was recessed early to permit counsel to examine the contents of a suitcase of old records and manuscripts, which Viereck placed in the Corn Exchange Safe Deposit Co. in New York City. The suitcase, along with funds and other possessions of the defendant, was frozen by the Treasury Department.

Accordingly, a court order issued by Justice Bolitha J. Laws was necessary before the suitcase could be opened.

Mr. Hauck said he first met Viereck as a result of Mr. Hauck's non-interventionist book, "Scarlet Fingers." He told of signing a contract with the defendant in August, 1940, and that after that date Viereck approved all transactions of Flanders Hall and supplied manuscripts.

Excerpts From Book Read.

Mr. McNulty, special assistant to the Attorney General, read to the jury excerpts from Viereck's book, "Sowing Germs of Hate," dealing with propaganda in the World War. The prosecutor attempted to draw parallels between Viereck's observations of propaganda in that war and his alleged operations in this war. Each time Mr. McNulty had completed a passage Defense Attorney Leo A. Rover rose to read other passages.

Viereck is on trial for the third time on charges of failing to inform the State Department of all foreign principals he worked for and for failure to give a comprehensive statement of his activities.